

Message Text

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PAGE 01 JIDDA 03843 290817Z

ACTION NEA-10

INFO OCT-01 ISO-00 PM-04 CIAE-00 INR-07 NSAE-00 DODE-00

NSC-05 SP-02 SS-15 IGA-02 EB-07 TRSE-00 OMB-01

AID-05 L-03 /062 W

-----290821Z 123739 /12

P 290725Z MAY 77

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC PRIORITY 8474

INFO AMEMBASSY AMMAN PRIORITY

C O N F I D E N T I A L JIDDA 3843

E.O. 11652: GDS

TAGS: MASS, PFOR, JO, US, SA

SUBJECT: SAUDI GUARANTEE OF JORDAN'S FY76 FMS LOAN

REF: (A) STATE 120515, B(B) JIDDA 3757, (C) JIDDA 2660

(D) AMMAN 2073

1. SAMA'S ABDELLATIF SEEMED SOMEWHAT TAKEN ABACK WHEN EMBOFFS TOLD HIM MAY 28 THAT USG UNDERSTANDS, AND BELIEVES THAT GOJ HAD ALSO SO INFORMED SAG, THAT GOJ WOULD PROBABLY NOT BE ABLE TO MEET PAYMENTS ON 76 FMS LOAN. ABDELLATIF SAID THAT JORDANIANS HAD ONLY TOLD SAG THAT THEY NEEDED TO USE LOAN/GUARANTEE PROCEDURE SO AS NOT TO DRAW DOWN THEIR DIRECT FMS CREDIT LINE.

2. ABDELLATIF LOOKED AT OUR PROPOSED GUARANTEE WORDING (PARA 2 REF A) AND SAID HE RECALLED THAT IT FORMED BASIS FOR SAMA'S "ELABORATED" GUARANTEE LANGUAGE, BUT THAT PER SE IT WAS NOT ACCEPTABLE. (HE OBJECTED, FOR EXAMPLE, TO ITS FAILURE TO MENTION DOD AS PARALLEL GUARANTOR TO FEDERAL FINANCE BANK.) HE SAID THAT SAMA GUARANTEE, AS AMENDED BY ALIREZA, SHOULD MEET USG OBJECTIONS AS IT IN EFFECT SPECIFIED SAMA AS PRIMARY OBLIGOR WITH DOD ONLY AS SECONDARY OBLIGOR. HE SAID THAT THERE WAS NO QUESTION BUT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JIDDA 03843 290817Z

THAT SAMA WOULD BE OBLIGED TO PAY, PROVIDED NON-PAYMENT NOTIFICATIONS AND OTHER REQUIREMENTS WERE MET. HE SAID HE WOULD STUDY NEW AMENDMENT PROPOSED BY USG (PARA 4 STATE 92294), BUT COMMENTED THAT IT LOOKED EXCESSIVELY COMPLEX.

3. ALTHOUGH SEVERAL TIMES EXPRESSING HIS ANNOYANCE

THAT SAG GUARANTEE HAD BEEN QUESTIONED AFTER HE HAD RECEIVED
GOJ ASSURANCE THAT IT WOULD BE PRE-CLEARED WITH DOD,
ABDELLATIF SAID HE NONETHELESS WANTED NEGOTIATIONS TO CON-
TINUE IN SAG-GOJ CHANNELS. HE SAID THAT SAG GUARANTEE
LANGUAGE HAD BEEN DRAFTED IN HASTE BECAUSE JORDANIANS HAD
WANTED IT READY BEFORE KING HUSSEIN'S TRIP TO WASHINGTON,
AND HE PROMISED TO STUDY OUR PROPOSED WORDING AND DISCUSS
IT WITH THE JORDANIANS. HE DID NOT, HOWEVER, PROMISE ANY
CHANGES.
HORAN

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Message Attributes

Automatic Decaptioning: X
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Concepts: MILITARY ASSISTANCE, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: GS
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ISecure: 1
Legacy Key: link1977/newtext/t1977055/aaaaaedl.tel
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Litigation History:
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Original Previous Classification: n/a
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